

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

		The Group		The Bank	
		30 September 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
Assets					
Cash and short term funds	A1	5,599,953	5,134,659	5,599,908	5,134,612
Deposits and placements with banks and other financial institutions	A2	194,373	218,934	194,373	218,934
Financial assets held for trading	A3	3,211,677	3,536,650	3,211,677	3,536,650
Financial investments available-for-sale	A4	2,336,333	2,023,922	2,336,333	2,023,922
Financial investments held-to-maturity	A5	1,356,491	620,992	1,356,491	620,992
Islamic derivative financial instruments	A19 (i)	689,020	263,865	689,020	263,865
Financing, advances and other financing/loans	A6	39,462,363	36,299,580	39,462,363	36,299,580
Other assets	A7	234,410	101,374	234,410	101,374
Deferred taxation		25,792	21,503	25,792	21,503
Amount due from holding company		328,858	106,783	328,858	106,783
Amount due from related companies		653	662	653	662
Statutory deposits with Bank Negara Malaysia		1,325,745	1,297,654	1,325,745	1,297,654
Investment in subsidiaries		-	-	11	20
Property, plant and equipment		13,342	10,124	13,342	10,124
Intangible assets		85,161	91,096	85,161	91,096
Goodwill		136,000	136,000	136,000	136,000
Total assets		55,000,171	49,863,798	55,000,137	49,863,771
Liabilities					
Deposits from customers	A8	43,209,964	41,328,044	43,209,964	41,328,044
Placements from investment accounts	A9	3,749,158	-	3,749,158	-
Deposits and placements of banks and other financial institutions	A10	2,204,998	3,644,713	2,204,998	3,644,713
Subordinated Sukuk	A11	850,796	856,026	850,796	856,026
Other liabilities	A12	462,978	297,254	462,978	297,254
Financial liabilities designated at fair value	A13	193,161	149,835	193,161	149,835
Islamic derivative financial instruments	A20 (i)	789,356	330,197	789,356	330,197
Provision for tax and Zakat		64,361	29,721	64,361	29,721
Amount due to related companies		2,693	16,538	2,694	16,537
Total liabilities		51,527,465	46,652,328	51,527,466	46,652,327
Equity					
Capital and reserves attributable to equity holder of the Bank					
Ordinary share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		2,252,706	1,991,470	2,252,671	1,991,444
		3,252,706	2,991,470	3,252,671	2,991,444
Perpetual preference shares		220,000	220,000	220,000	220,000
Total equity		3,472,706	3,211,470	3,472,671	3,211,444
Total equity and liabilities		55,000,171	49,863,798	55,000,137	49,863,771
Commitments and contingencies	A20 (ii)	28,311,981	28,238,559	28,311,981	28,238,559
Net assets per ordinary share attributable to owners of the Parent (RM)		3.25	2.99	3.25	2.99

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

		The Group			
		3rd Quarter Ended		9 Months Ended	
		30 September	30 September	September	30 September
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A14	574,329	512,790	1,661,973	1,571,486
Income derived from investment of shareholder's funds	A15	72,452	72,322	286,094	147,706
Allowances for impairment losses on financing, advances and other financing/loans	A16	(34,680)	(38,299)	(85,828)	(67,199)
Allowances for impairment losses on other receivables written-back/(made)		45	39	(22)	178
Total distributable income		612,146	546,852	1,862,217	1,652,171
Income attributable to depositors	A17	(363,826)	(308,432)	(1,101,496)	(895,013)
Total net income		248,320	238,420	760,721	757,158
Personnel expenses	A18	(16,109)	(11,500)	(56,513)	(46,547)
Other overheads and expenditures	A19	(111,368)	(105,008)	(326,112)	(311,215)
Profit for the the period		120,843	121,912	378,096	399,396
Taxation		(27,745)	(34,487)	(95,418)	(103,749)
Net profit for the period		93,098	87,425	282,678	295,647

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

Profit for the period		93,098	87,425	282,678	295,647
Other comprehensive income/(expenses):					
Items that may be reclassified subsequently to profit or loss					
Revaluation reserve financial investments available-for-sale					
- Net gain/(loss) from change in fair value		(45,102)	14,667	(22,833)	8,834
- Realised gain transferred to statement of income on disposal		(518)	(1,300)	(1,609)	(2,939)
- Income tax effects		7,907	(3,342)	3,038	(1,474)
Other comprehensive (expense)/income for the period, net of tax		(37,713)	10,025	(21,404)	4,421
Total comprehensive income for the period		55,385	97,450	261,274	300,068
Earnings per share -basis (sen)	B3	9.31	8.74	28.27	29.56

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

		The Bank			
		3rd Quarter Ended		9 Months Ended	
		30 September	30 September	30 September	30 September
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A14	574,329	512,790	1,661,973	1,571,486
Income derived from investment of shareholder's funds	A15	72,452	72,285	286,073	147,654
Allowances for losses on financing, advances and other financing/loans	A16	(34,680)	(38,299)	(85,828)	(67,199)
Allowances for impairment losses on other receivables		45	39	(22)	178
Allowances for commitments and contingencies		-	-	(9)	-
Total distributable income		612,146	546,815	1,862,187	1,652,119
Income attributable to depositors	A17	(363,826)	(308,432)	(1,101,496)	(895,013)
Total net income		248,320	238,383	760,691	757,106
Personnel costs	A18	(16,109)	(11,500)	(56,513)	(46,547)
Other overheads and expenditures	A19	(111,368)	(104,971)	(326,091)	(311,163)
Profit before taxation		120,843	121,912	378,087	399,396
Taxation		(27,745)	(34,487)	(95,418)	(103,749)
Profit for the financial period		93,098	87,425	282,669	295,647

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

Profit for the period		93,098	87,425	282,669	295,647
Other comprehensive income/(expenses):					
Items that may be reclassified subsequently to profit or loss					
Revaluation reserve financial investments available-for-sale					
- Net gain/(loss) from change in fair value		(45,102)	14,667	(22,833)	8,834
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- Income tax effects		7,907	(3,342)	3,038	(1,474)
Other comprehensive (expense)/income for the period, net of tax		(37,713)	10,025	(21,404)	4,421
Total comprehensive income for the period		55,385	97,450	261,265	300,068
Earnings per share -basis (sen)	B3	9.31	8.74	28.27	29.56

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

↔ Attributable to owners of the Parent ↔

The Group	Share capital	Statutory reserve	Revaluation reserve - financial investments available-for-sale	Merger reserve	Capital reserve	Regulatory reserve	Share-based payment reserve	Retained profits	Total	Perpetual preference shares	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2015											
At 1 January 2015	1,000,000	844,149	(17,270)	(2,457)	458	-	674	1,165,916	2,991,470	220,000	3,211,470
Net profit for the financial period	-	-	-	-	-	-	-	282,678	282,678	-	282,678
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-
- Financial investments available-for-sale	-	-	(21,404)	-	-	-	-	-	(21,404)	-	(21,404)
Total comprehensive income for the period	-	-	(21,404)	-	-	-	-	282,678	261,274	-	261,274
Share-based payment expense	-	-	-	-	-	-	437	-	437	-	437
Transfer to statutory reserve	-	47,393	-	-	-	-	-	(47,393)	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	28,538	-	(28,538)	-	-	-
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(475)	-	(475)	-	(475)
At 30 September 2015	1,000,000	891,542	(38,674)	(2,457)	458	28,538	636	1,372,663	3,252,706	220,000	3,472,706
30 September 2014											
At 1 January 2014	1,000,000	746,312	(16,396)	(2,457)	458	230,088	606	642,317	2,600,928	70,000	2,670,928
Net profit for the financial period	-	-	-	-	-	-	-	295,647	295,647	-	295,647
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-
- Financial investments available-for-sale	-	-	4,421	-	-	-	-	-	4,421	-	4,421
Total comprehensive income for the period	-	-	4,421	-	-	-	-	295,647	300,068	-	300,068
Share-based payment expense	-	-	-	-	-	-	499	-	499	-	499
Transfer to statutory reserve	-	52,056	-	-	-	-	-	(52,056)	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	22,692	-	(22,692)	-	-	-
Issuance new shares	-	-	-	-	-	-	-	-	-	150,000	150,000
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(433)	-	(433)	-	(433)
At 30 September 2014	1,000,000	798,368	(11,975)	(2,457)	458	252,780	672	863,216	2,901,062	220,000	3,121,062

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

The Bank	← Non-distributable						Distributable →				
	Share capital RM'000	Statutory reserve RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained profits RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
30 September 2015											
At 1 January 2015	1,000,000	844,149	(17,270)	(2,457)	458	-	674	1,165,890	2,991,444	220,000	3,211,444
Net profit for the financial period	-	-	-	-	-	-	-	282,669	282,669	-	282,669
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-
- Financial investments available-for-sale	-	-	(21,404)	-	-	-	-	-	(21,404)	-	(21,404)
Total comprehensive income for the period	-	-	(21,404)	-	-	-	-	282,669	261,265	-	261,265
Share-based payment expense	-	-	-	-	-	-	437	-	437	-	437
Transfer to statutory reserve	-	47,393	-	-	-	-	-	(47,393)	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	28,538	-	(28,538)	-	-	-
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(475)	-	(475)	-	(475)
At 30 September 2015	1,000,000	891,542	(38,674)	(2,457)	458	28,538	636	1,372,628	3,252,671	220,000	3,472,671
30 September 2014											
At 1 January 2014	1,000,000	746,312	(16,396)	(2,457)	458	230,088	606	642,291	2,600,902	70,000	2,670,902
Net profit for the financial period	-	-	-	-	-	-	-	295,647	295,647	-	295,647
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-
- Financial investments available-for-sale	-	-	4,421	-	-	-	-	-	4,421	-	4,421
Total comprehensive income for the period	-	-	4,421	-	-	-	-	295,647	300,068	-	300,068
Share-based payment expense	-	-	-	-	-	-	499	-	499	-	499
Transfer to statutory reserve	-	52,056	-	-	-	-	-	(52,056)	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	22,692	-	(22,692)	-	-	-
Issuance new shares	-	-	-	-	-	-	-	-	-	150,000	150,000
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(433)	-	(433)	-	(433)
At 30 September 2014	1,000,000	798,368	(11,975)	(2,457)	458	252,780	672	863,190	2,901,036	220,000	3,121,036

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	The Group		The Bank	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Profit before taxation	378,096	399,396	378,087	399,396
Adjustments for non-cash items	(41,169)	(5,714)	(41,160)	(5,714)
Operating profit before changes in working capital	336,927	393,682	336,927	393,682
Net changes in operating assets	(3,120,942)	389,085	(3,120,942)	389,074
Net changes in operating liabilities	4,319,298	534,533	4,319,300	534,533
Tax paid	(60,005)	(58,593)	(60,005)	(58,593)
Net cash generated from operating activities	1,475,278	1,258,707	1,475,280	1,258,696
Net cash flows used in investing activities	(974,331)	(459,497)	(974,331)	(459,497)
Net cash flows (used in)/generated from financing activities	(35,653)	116,318	(35,653)	116,318
Net change in cash and cash equivalents	465,294	915,528	465,296	915,517
Cash and cash equivalents at beginning of the financial period	5,134,659	6,983,561	5,134,612	6,983,515
Cash and cash equivalents at end of the financial period	5,599,953	7,899,089	5,599,908	7,899,032

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

PART A - EXPLANATORY NOTES

A. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 September 2015 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale, derivative financial instruments and financial liabilities designated at fair value, that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements.

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Bank's audited financial statements for the financial year ended 31 December 2014. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2014.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2014, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2015:

- Annual improvement to MFRSs 2010 - 2012 Cycle
 - Amendment to MFRS 2 "Share-based Payment"
 - Amendment to MFRS 3 "Business Combinations"
 - Amendment to MFRS 8 "Operating Segments"
 - Amendment to MFRS 13 "Fair Value Measurement"
 - Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 138 "Intangible Assets"
 - Amendment to MFRS 124 "Related Party Disclosures"
- Annual improvement to MFRSs 2011 - 2013 Cycle
 - Amendment to MFRS 3 "Business Combinations"
 - Amendment to MFRS 13 "Fair Value Measurement"
- Amendment to MFRS 119, "Defined Benefits Plans: Employee Contributions"

The adoption of the new standards, amendments to published standards and interpretations are not expected to have any material impact on the financial results of the Group and the Bank.

The preparation of unaudited condensed interim financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and Bank's accounting policies. Although these estimates and

PART A - EXPLANATORY NOTES (CONTINUED)

B. CHANGES IN ESTIMATES

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed.

C. ISSUANCE AND REPAYMENT OF DEBT EQUITY SECURITIES

There were no issuance and repayment of debt securities during the period.

D. PROPOSED DIVIDEND

There were no dividends paid or proposed for the period ended 30 September 2015.

E. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 30 September 2015 and the date of this announcement.

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 September 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
A1 Cash and short-term funds				
Cash and balances with banks and other financial institutions	483,919	266,808	483,874	266,761
Money at call and deposit placements maturing within one month	5,116,034	4,867,851	5,116,034	4,867,851
	5,599,953	5,134,659	5,599,908	5,134,612
A2 Deposits and placements with banks and other financial institutions				
Licensed banks	194,373	218,934	194,373	218,934
	194,373	218,934	194,373	218,934
A3 Financial assets held for trading				
Money market instruments				
Unquoted				
<u>In Malaysia</u>				
Malaysian Government treasury bills	14,737	14,826	14,737	14,826
Bank Negara monetary notes	19,761	2,235,535	19,761	2,235,535
Islamic negotiable instruments of deposits	2,706,015	992,580	2,706,015	992,580
Government Investment Issues	49,618	12,885	49,618	12,885
Malaysian Government Sukuk	25,015	-	25,015	-
Islamic Commercial papers	29,915	-	29,915	-
	2,845,061	3,255,826	2,845,061	3,255,826
Unquoted securities				
<u>In Malaysia</u>				
Islamic private debt securities	278,604	210,789	278,604	210,789
<u>Outside Malaysia</u>				
Islamic private debt securities	88,012	70,035	88,012	70,035
	3,211,677	3,536,650	3,211,677	3,536,650
A4 Financial investments available-for-sale				
Money market instruments				
Unquoted				
<u>In Malaysia</u>				
Government Investment Issues	461,445	315,897	461,445	315,897
Islamic Cagamas bonds	23,678	8,504	23,678	8,504
Malaysian Government Sukuk	44,406	19,750	44,406	19,750
Khazanah bonds	71,940	70,214	71,940	70,214
	601,469	414,365	601,469	414,365
Unquoted securities				
<u>In Malaysia</u>				
Islamic private debt securities	1,651,600	1,525,393	1,651,600	1,525,393
Placement with IBFIM	575	575	575	575
<u>Outside Malaysia</u>				
Islamic private debt securities	82,689	83,589	82,689	83,589
	2,336,333	2,023,922	2,336,333	2,023,922
A5 Financial investments held-to-maturity				
Money market instruments				
Unquoted				
<u>In Malaysia</u>				
Government Investment Issues	267,948	7,569	267,948	7,569
Islamic Cagamas bonds	30,797	-	30,797	-
Khazanah bonds	12,662	12,662	12,662	12,662
	311,407	20,231	311,407	20,231
Unquoted securities				
<u>In Malaysia</u>				
Islamic private debt securities	1,044,555	600,386	1,044,555	600,386
Amortisation of premium less accretion of discount	529	375	529	375
	1,356,491	620,992	1,356,491	620,992

PART A - EXPLANATORY NOTES (CONTINUED)

A6 Financing, advances and other financing/loans

(i) Financing by types and Shariah contracts

At amortised cost:

	The Group and the Bank				Total RM'000
	Bai' RM'000	Ijarah RM'000	Qard RM'000	Others RM'000	
30 June 2015					
Cash line [^]	551,982	-	7,245	-	559,227
Term financing					
- House financing	9,472,209	1,297,240	-	-	10,769,449
- Syndicated financing	1,780,901	173,370	-	-	1,954,271
- Hire purchase receivables	-	4,561,869	-	-	4,561,869
- Other term financing	19,313,584	59,013	-	-	19,372,597
Bills receivable	5,002	-	-	-	5,002
Islamic trust receipts	18,324	-	-	-	18,324
Claims on customer under Islamic accepted bills	293,839	-	-	-	293,839
Credit card receivables	-	-	-	112,304	112,304
Revolving credits	2,132,234	-	-	-	2,132,234
Share purchase financing	2,890	-	-	-	2,890
Ar Rahnu	-	-	-	1,132	1,132
Gross financing, advances and other financing/loans	33,570,965	6,091,492	7,245	113,436	39,783,138
Fair value changes arising from fair value hedges					62,225
Less : Allowance for impairment losses					
- Individual impairment allowance					(49,523)
- Portfolio impairment allowance					(333,477)
Total net financing, advances and other financing/loans					<u>39,462,363</u>

31 December 2014

Cash line [^]	554,680	-	10,277	-	564,957
Term financing					
- House financing	8,907,718	992,267	-	-	9,899,985
- Syndicated financing	365,825	211,243	-	-	577,068
- Hire purchase receivables	-	5,298,240	-	-	5,298,240
- Other term financing	17,304,405	56,820	-	-	17,361,225
Bills receivable	2,939	-	-	-	2,939
Islamic trust receipts	19,218	-	-	-	19,218
Claims on customer under Islamic accepted bills	391,983	-	-	-	391,983
Credit card receivables	-	-	-	111,917	111,917
Revolving credits	2,389,876	-	-	-	2,389,876
Share purchase financing	9,453	-	-	-	9,453
Ar Rahnu	-	-	-	1,590	1,590
Gross financing, advances and other financing/loans	29,946,097	6,558,570	10,277	113,507	36,628,451
Fair value changes arising from fair value hedges					57,272
Less : Allowance for impairment losses					
- Individual impairment allowance					(39,713)
- Portfolio impairment allowance					(346,430)
Total net financing, advances and other financing/loans					<u>36,299,580</u>

[^] Includes current account in excess

PART A - EXPLANATORY NOTES (CONTINUED)

A6 Financing, advances and other financing/loans (continued)

(a) The Group and the Bank have undertaken fair value hedges on financing using Islamic profit rate swaps.

	The Group		The Bank	
	30 September 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
Gross financing hedged	4,075,000	6,350,000	4,075,000	6,350,000
Fair value changes arising from fair value hedges	62,225	57,272	62,225	57,272
	4,137,225	6,407,272	4,137,225	6,407,272

The fair value loss on Islamic profit rate swaps of the Group and the Bank in this hedge transaction as at 30 September 2015 were RM120 million (31 December 2014 : fair value loss of RM83 million).

(b) Included in financing, advances and other financing/loans are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and CIMB Bank Berhad. CIMB Bank Berhad is exposed to risks and rewards on RPSIA financing and will account for all the portfolio and individual impairment for bad and doubtful financing arising thereon.

As at 30 September 2015, the gross exposures to RPSIA financing is RM2,965 million (31 December 2014: RM2,099 million) and the portfolio impairment allowance relating to this RPSIA amounting to RM6.7 million (31 December 2014: RM6.4 million) is recognised in the Financial Statements of CIMB Bank Berhad.

There was no individual impairment provided on this RPSIA financing.

(c) Movement of Qard financing

	The Group and the Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
As at 1 January 2015/2014	10,277	2,006
New disbursement	2,328	10,067
Repayment	(5,360)	(1,796)
As at 30 September/ 31 December	7,245	10,277
Sources of Qard fund:		
Depositors' fund	6,803	9,665
Shareholders' fund	442	612
	7,245	10,277
Uses of Qard fund:		
Personal use	546	1,156
Business purpose	6,699	9,121
	7,245	10,277

PART A - EXPLANATORY NOTES (CONTINUED)

A6 Financing, advances and other financing/loans (continued)

	The Group		The Bank	
	30 September 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
(ii) By geographical distribution:				
Malaysia	39,783,138	36,628,451	39,783,138	36,628,451
	39,783,138	36,628,451	39,783,138	36,628,451
(iii) By type of customer :				
Domestic non-bank financial institutions	1,730,453	1,744,023	1,730,453	1,744,023
Domestic business enterprises				
- Small medium enterprises	5,528,502	5,072,522	5,528,502	5,072,522
- Others	4,437,106	2,814,822	4,437,106	2,814,822
Government and statutory bodies	6,830,693	6,773,484	6,830,693	6,773,484
Individuals	20,994,347	19,990,768	20,994,347	19,990,768
Other domestic entities	86,772	48,331	86,772	48,331
Foreign entities	175,265	184,501	175,265	184,501
	39,783,138	36,628,451	39,783,138	36,628,451
(iv) By profit rate sensitivity :				
Fixed rate				
- House financing	149,561	169,414	149,561	169,414
- Hire purchase receivables	4,561,869	5,298,240	4,561,869	5,298,240
- Others	10,748,352	11,101,995	10,748,352	11,101,995
Variable rate				
- House financing	10,619,889	9,730,571	10,619,889	9,730,571
- Other financing	13,703,467	10,328,231	13,703,467	10,328,231
	39,783,138	36,628,451	39,783,138	36,628,451
(v) By economic purpose :				
Personal use	2,735,766	2,903,936	2,735,766	2,903,936
Credit card	112,304	111,918	112,304	111,918
Construction	1,508,051	1,698,211	1,508,051	1,698,211
Residential property	10,950,318	10,038,277	10,950,318	10,038,277
Non-residential property	3,658,549	3,573,649	3,658,549	3,573,649
Purchase of fixed assets other than land and building	210,375	199,445	210,375	199,445
Merger and acquisition	667	934	667	934
Purchase of securities	1,667,065	584,113	1,667,065	584,113
Purchase of transport vehicles	4,831,338	5,349,838	4,831,338	5,349,838
Working capital	9,878,303	9,164,677	9,878,303	9,164,677
Other purpose	4,230,402	3,003,453	4,230,402	3,003,453
	39,783,138	36,628,451	39,783,138	36,628,451
(vi) By residual contractual maturity :				
Within one year	4,366,194	3,561,476	4,366,194	3,561,476
One year to less than three years	1,597,729	1,518,090	1,597,729	1,518,090
Three years to less than five years	9,397,057	6,924,314	9,397,057	6,924,314
Five years and more	24,422,158	24,624,571	24,422,158	24,624,571
	39,783,138	36,628,451	39,783,138	36,628,451

PART A - EXPLANATORY NOTES (CONTINUED)

A6 Financing, advances and other financing/loans (continued)

	The Group		The Bank	
	30 September 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
(vii) Impaired financing by economic purpose :				
Personal use	28,486	31,233	28,486	31,233
Credit card	3,005	2,922	3,005	2,922
Construction	42,348	46,896	42,348	46,896
Residential property	94,799	89,243	94,799	89,243
Non-residential property	83,512	33,429	83,512	33,429
Purchased of fixed assets other than land & building	396	883	396	883
Purchase of securities	407	200	407	200
Purchase of transport vehicles	117,941	145,510	117,941	145,510
Working capital	77,364	68,039	77,364	68,039
Other purpose	38,170	39,506	38,170	39,506
	486,428	457,861	486,428	457,861
(viii) Impaired financing by geographical distribution:				
Malaysia	486,428	457,861	486,428	457,861
	486,428	457,861	486,428	457,861
(ix) Movement in impaired financing, advances and other financing/loans :				
As at 1 January	457,861	310,151	457,861	310,151
Classified as impaired during the financial year	420,213	769,607	420,213	769,607
Reclassified as non-impaired during the period/year	(200,535)	(355,337)	(200,535)	(355,337)
Amount written back in respect of recoveries	(75,468)	(103,631)	(75,468)	(103,631)
Amount written off	(115,643)	(162,929)	(115,643)	(162,929)
As at 30 June/ 31 December	486,428	457,861	486,428	457,861
Ratio of gross impaired financing to total financing advances, and other financing/loans	1.22%	1.25%	1.22%	1.25%
(x) Movements in allowance for impaired financing :				
Individual impairment allowance				
As at 1 January	39,713	29,801	39,713	29,801
Net allowance (written back)/made during the period/year	11,055	19,017	11,055	19,017
Amount written off	(1,245)	(9,105)	(1,245)	(9,105)
As at 30 June/ 31 December	49,523	39,713	49,523	39,713
Portfolio impairment allowance				
As at 1 January	346,430	376,849	346,430	376,849
Net allowance made during the period/year	101,425	123,405	101,425	123,405
Amount written off	(114,378)	(153,824)	(114,378)	(153,824)
As at 30 June/ 31 December	333,477	346,430	333,477	346,430
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other financing/loans (excluding RPSIA financing) less individual impairment allowance	1.20%	1.24%	1.20%	1.24%

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 September 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
A7 Other assets				
Deposits and prepayments	2,880	4,085	2,880	4,085
Sundry debtors	172,632	34,338	172,632	34,338
Credit Support Annex for derivative transactions	53,850	57,150	53,850	57,150
Clearing accounts	5,048	5,801	5,048	5,801
	234,410	101,374	234,410	101,374
A8 Deposits from customers				
(i) By type of deposit				
Savings deposits	2,538,493	2,202,778	2,538,493	2,202,778
Wadiah	2,538,493	2,202,778	2,538,493	2,202,778
Demand deposits	9,439,516	7,901,001	9,439,516	7,901,001
Wadiah	9,285,792	7,101,583	9,285,792	7,101,583
Qard	153,724	61,320	153,724	61,320
Mudharabah	-	738,098	-	738,098
Commodity Murabahah	29,840,130	21,420,321	29,840,130	21,420,321
Islamic negotiable instruments	1,087,158	2,563,732	1,087,158	2,563,732
Mudharabah	344,681	389,915	344,681	389,915
Hybrid (Bai Bithamin Ajil and Bai al-Dayn)	742,477	2,173,817	742,477	2,173,817
Short term money market deposit-i	-	5,093,512	-	5,093,512
Wakalah	-	5,093,512	-	5,093,512
Fixed Deposit-i	10,698	617,170	10,698	617,170
Wakalah	-	608,700	-	608,700
Wadiah	10,698	8,470	10,698	8,470
General investment account	105,524	1,336,037	105,524	1,336,037
Mudharabah	105,524	1,336,037	105,524	1,336,037
Specific investment account	172,676	174,606	172,676	174,606
Mudharabah	172,676	174,606	172,676	174,606
Term deposit	31,216,187	31,205,378	31,216,187	31,205,378
Others - Qard	15,768	18,887	15,768	18,887
	43,209,964	41,328,044	43,209,964	41,328,044
(ii) Maturity structures of term deposits				
Due within six months	27,082,482	29,668,807	27,082,482	29,668,807
Six months to less than one year	3,606,420	986,768	3,606,420	986,768
One year to less than three years	360,235	380,679	360,235	380,679
Three years to less than five years	623	436	623	436
Five years and more	166,427	168,688	166,427	168,688
	31,216,187	31,205,378	31,216,187	31,205,378

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
A8 Deposits from customers (continued)				
(iii) By type of customer				
Government and statutory bodies	4,003,391	3,737,245	4,003,391	3,737,245
Business enterprises	17,143,870	16,365,739	17,143,870	16,365,739
Individuals	8,200,081	5,400,206	8,200,081	5,400,206
Others	13,862,622	15,824,854	13,862,622	15,824,854
	43,209,964	41,328,044	43,209,964	41,328,044

A9 Placements from investment accounts

-Unrestricted investment accounts:	197,822	-	197,822	-
-Restricted investment accounts:	3,551,336	-	3,551,336	-
	3,749,158	-	3,749,158	-

A10 Placements of banks and other financial institutions

Mudharabah

Licensed Islamic banks	-	140,012	-	140,012
Licensed banks	-	2,097,647	-	2,097,647
Licensed investment banks	-	201,122	-	201,122
Other financial institutions	-	-	-	-
	-	2,438,781	-	2,438,781

Non-Mudharabah

Licensed Islamic banks	632,504	111,978	632,504	111,978
Licensed banks	993,153	912,097	993,153	912,097
Licensed investment banks	98,979	-	98,979	-
Bank Negara Malaysia	163,684	29,384	163,684	29,384
Other financial institutions	316,678	152,473	316,678	152,473
	2,204,998	1,205,932	2,204,998	1,205,932
	2,204,998	3,644,713	2,204,998	3,644,713

The maturity structure of deposits and placements from financial institutions are as follows:

Due within six months	2,011,019	3,644,713	2,011,019	3,644,713
Six months to one year	193,979	-	193,979	-
	2,204,998	3,644,713	2,204,998	3,644,713

PART A - EXPLANATORY NOTES (CONTINUED)

The Group		The Bank	
30 September	31 December	30 September	31 December
2015	2014	2015	2014
RM'000	RM'000	RM'000	RM'000

A11 Subordinated sukuk

The Group and the Bank

The RM850 million subordinated Sukuk (“the Sukuk”) is part of the Tier-2 Junior Sukuk programme which was approved by the Securities Commission on 22 May 2009. Under the programme, the Bank is allowed to raise Tier-2 capital of up to RM2.0 billion in nominal value outstanding at any one time.

The Sukuk of RM300 million under the first issuance was issued at par on 25 September 2009 and is due on 25 September 2024, with optional redemption on 25 September 2019 or any periodic payment date thereafter. The Sukuk bears a profit rate of 5.85% per annum payable semi-annually in arrears.

The second tranche of the Sukuk of RM250 million was issued at par on 21 April 2011 and is due on 21 April 2021, with optional redemption on 21 April 2016 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.20% per annum payable semi-annually in arrears.

On 18 September 2012, the Bank had issued the third tranche of Sukuk of RM300 million at par and is due on 15 September 2022, with the optional redemption on 18 September 2017 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.00% per annum, payable semi-annually in arrears.

The RM850 million Sukuk qualify as Tier-2 capital for the purpose of the RWCR computation.

A12 Other liabilities

Accruals and other payables	196,464	63,025	196,464	63,025
Clearing accounts	255,032	223,067	255,032	223,067
Others	11,482	11,162	11,482	11,162
	462,978	297,254	462,978	297,254

A13 Financial liabilities designated at fair value

Deposits from customers - structured investments	193,161	149,835	193,161	149,835
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The Group and the Bank have issued structured investments, and have designated them at fair value in accordance with MFRS139. The Group and the Bank have the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group and the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the Group and the Bank as at 30 September 2015 of financial liabilities designated at fair value were RM14,500,000 (31 December 2014:RM8,551,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

PART A - EXPLANATORY NOTES (CONTINUED)

3rd Quarter Ended		9 Months Ended	
30 September	30 September	30 September	30 September
2015	2014	2015	2014
RM'000	RM'000	RM'000	RM'000

A14 Income derived from investment of depositors' funds and others

The Group and The Bank

Income derived from investment of :

a) General investment deposits	358,440	271,621	1,016,827	754,913
b) Specific investment deposits	39,201	20,993	114,372	68,532
c) Other deposits	176,688	220,176	530,774	748,041
	574,329	512,790	1,661,973	1,571,486

a) Income derived from investment of general investment deposits

Financing, advances and other financing/loans

- Profit income	296,581	219,855	835,742	592,851
- Unwinding income [^]	1,502	1,116	4,242	2,704
Financial assets held for trading	3,843	3,824	12,072	9,412
Financial investments available-for-sale	16,562	8,789	45,078	21,006
Financial investments held-to-maturity	7,505	4,279	18,316	11,212
Money at call and deposit with financial institutions	23,224	33,607	106,919	84,070
	349,217	271,470	1,022,369	721,255
Accretion of discount less amortisation of premium	16,192	11,513	44,111	29,571
Total finance income and hibah	365,409	282,983	1,066,480	750,826

Other operating income

- Net gain/(loss) arising from financial assets held for trading				
- realised (loss)/gain	(599)	226	59	294
- unrealised (loss)/gain	(977)	(686)	394	(852)
- Net gain from sale of financial investments available-for-sale	324	676	1,013	1,415
- Net (loss)/gain from foreign exchange transactions	(6,583)	(12,268)	(54,941)	1,235
	(7,835)	(12,052)	(53,475)	2,092
Fee and commission income	866	690	3,822	1,995
	358,440	271,621	1,016,827	754,913

[^] Unwinding income is income earned on impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
b) Income derived from investment of specific investment deposits				
Income from specific investment deposit:				
i) Deposit from customers:	-	20,993	75,171	68,532
ii) Placement from Investment Accounts:				
a) Restricted Investment Account (RIA)	32,405	-	32,405	-
b) Unrestricted Investment Account (URIA)	6,796	-	6,796	-
	<u>39,201</u>	<u>20,993</u>	<u>114,372</u>	<u>68,532</u>
<u>i) Deposit from customers:</u>				
Financing, advances and other financing/loans:				
- Profit income	-	14,974	64,472	51,373
Money at call and deposit with financial institutions	-	6,019	10,699	17,159
	<u>-</u>	<u>20,993</u>	<u>75,171</u>	<u>68,532</u>
<u>ii) Placement from Investment Accounts:</u>				
a) Restricted Investment Account (RIA)				
Financing, advances and other financing/loans:				
- Profit income	28,147	-	28,147	-
Money at call and deposit with financial institutions	4,258	-	4,258	-
	<u>32,405</u>	<u>-</u>	<u>32,405</u>	<u>-</u>
b) Unrestricted Investment Account (URIA)				
Financing, advances and other financing/loans:				
- Profit income	1,526	-	1,526	-
- Unwinding income [^]	6	-	6	-
Money at call and deposit with financial institutions	5,264	-	5,264	-
	<u>6,796</u>	<u>-</u>	<u>6,796</u>	<u>-</u>

[^] Unwinding income is income earned on impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
A14 Income derived from investment of depositors funds and others (continued)				
c) Income derived from investment of other deposits				
Financing, advances and other financing/loans				
- Profit income	146,193	178,213	437,460	585,184
- Unwinding income [^]	741	904	2,215	2,640
Financial assets held for trading	1,895	3,100	6,336	9,202
Financial investments available-for-sale	8,165	7,125	23,445	20,492
Financial investments held-to-maturity	3,699	3,469	9,473	11,050
Money at call and deposit with financial institutions	11,447	27,242	56,038	82,141
	172,140	220,053	534,967	710,709
Accretion of discount less amortisation of premium	7,982	9,332	23,256	29,110
Total finance income and hibah	180,122	229,385	558,223	739,819
Other operating income				
- Net gain/(loss) arising from financial assets held for trading				
- realised (loss)/gain	(295)	184	88	247
- unrealised (loss)/gain	(481)	(555)	198	(714)
- Net gain from sale of financial investments available-for-sale	160	547	495	1,353
- Net (loss)/gain from foreign exchange transactions	(3,245)	(9,944)	(30,153)	5,343
	(3,861)	(9,768)	(29,372)	6,229
Fee and commission income	427	559	1,923	1,993
	176,688	220,176	530,774	748,041

[^] Unwinding income is income earned on impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
A15 Income derived from investment of shareholder's funds				
The Group				
Financing, advances and other financing/loans				
- Profit income	30,874	25,228	86,071	72,744
- Unwinding income^	156	128	436	331
Financial assets held for trading	400	439	1,242	1,152
Financial investments available-for-sale	1,724	1,008	4,630	2,571
Financial investments held-to-maturity	781	491	1,881	1,377
Money at call and deposit with financial institutions	2,418	3,856	10,919	10,257
	36,353	31,150	105,179	88,432
Accretion of discount less amortisation of premium	1,685	1,321	4,564	3,634
Total finance income and hibah	38,038	32,471	109,743	92,066
Other operating income				
- Net gain/(loss) arising from financial assets held for trading				
- realised (loss)/gain	(62)	26	8	33
- unrealised (loss)/gain	(102)	(79)	32	(96)
- Net gain from sale of financial investments available-for-sale	33	78	100	172
- Net (loss)/gain from foreign exchange transactions	(685)	(1,408)	(5,722)	407
- Net (loss)/gain arising from hedging activities	(489)	(355)	(2,799)	(695)
-Net gain/(loss) arising from financial liabilities designated at fair value				
- realised loss	(506)	(918)	(1,424)	(2,469)
- unrealised gain/(loss)	9,194	(1,922)	5,656	2,468
-Net gain/(loss) arising from derivative financial instrument				
- realised (loss)/gain	(16,694)	(13,436)	92,476	(13,987)
- unrealised gain	17,683	38,321	3,302	1,841
	8,372	20,307	91,629	(12,326)
Fee and commission income	25,260	20,476	83,327	67,341
Less : fee and commission expense	(1,222)	(1,988)	(3,510)	(2,757)
Net fee and commission income	24,038	18,488	79,817	64,584
Other income				
- Sundry income	2,004	1,056	4,905	3,382
	72,452	72,322	286,094	147,706

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
A15 Income derived from investment of shareholder's funds (cont'd.)				
The Bank				
Financing, advances and other financing/loans				
- Profit income	30,874	25,228	86,071	72,744
- Unwinding income [^]	156	128	436	331
Financial assets held for trading	400	439	1,242	1,152
Financial investments available-for-sale	1,724	1,008	4,630	2,571
Financial investments held-to-maturity	781	491	1,881	1,377
Money at call and deposit with financial institutions	2,418	3,856	10,919	10,257
	36,353	31,150	105,179	88,432
Accretion of discount less amortisation of premium	1,685	1,321	4,564	3,634
Total finance income and hibah	38,038	32,471	109,743	92,066
Other operating income				
- Net gain/(loss) from sale of financial investments held for trading				
- realised (loss)/gain	(62)	26	8	33
- unrealised (loss)/gain	(102)	(79)	32	(96)
- Net gain from sale of financial investments available-for-sale	33	78	100	172
- Net (loss)/gain from foreign exchange transactions	(685)	(1,408)	(5,722)	407
- Net loss arising from hedging activities	(489)	(355)	(2,799)	(695)
Net gain/(loss) arising from financial liabilities designated at fair value				-
- realised loss	(506)	(918)	(1,424)	(2,469)
- unrealised gain/(loss)	9,194	(1,922)	5,656	2,468
- Net gain/(loss) arising from derivative financial instrument				-
- realised (loss)/gain	(16,694)	(13,436)	92,476	(13,987)
- unrealised loss	17,683	38,321	3,302	1,841
	8,372	20,307	91,629	(12,326)
Fee and commission income	25,260	20,476	83,327	67,341
Less : fee and commission expense	(1,222)	(1,988)	(3,510)	(2,757)
Net fee and commission income	24,038	18,488	79,817	64,584
Other income				
- Sundry income	2,004	1,019	4,884	3,330
	72,452	72,285	286,073	147,654

[^] Unwinding income is income earned on impaired financing, advances and other financing/loans.

A16 Allowance for impairment losses on financing, advances and other financing/loans

The Group and The Bank

Individual impairment allowance				
- (Written-back)/made during the period	(1,644)	35	11,055	349
Portfolio impairment allowance				
- Made during the period	45,530	47,146	101,425	96,111
Impaired financing :				
- recovered	(11,014)	(10,943)	(32,396)	(33,029)
- written off	1,808	2,061	5,744	3,768
	34,680	38,299	85,828	67,199

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
A17 Income attributable to depositors				
The Group and The Bank				
Deposits from customers				
- Mudharabah	(10,719)	27,415	41,875	86,112
- Non-Mudharabah	321,038	238,640	902,664	653,579
- Financial liabilities designated at fair value	1,941	1,877	5,319	5,074
Placements from investment accounts	71	-	71	-
Deposits and placements of banks and other financial institutions				
- Mudharabah	32,106	20,497	95,797	65,689
- Non-Mudharabah	9,037	10,246	25,031	55,787
Subordinated Sukuk	10,352	9,757	30,739	28,772
	363,826	308,432	1,101,496	895,013

A18 Personnel expenses

The Group and The Bank

Salaries, allowances and bonuses	14,053	9,853	47,621	39,643
Pension costs (defined contribution plan)	907	849	2,690	2,406
Staff incentives and other staff payments	756	628	1,963	3,970
Mutual Separation Scheme	-	-	2,586	-
Medical expenses	441	79	869	237
Others	(48)	91	784	291
	16,109	11,500	56,513	46,547

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
A19 Other overheads and expenditures				
The Group				
Establishment				
Depreciation of property, plant equipment	1,064	1,210	3,052	2,278
Rental	752	327	1,320	1,133
Repairs and maintenance	(435)	636	737	2,108
Outsourcing expenses	237	484	645	1,147
Security expenses	-	7	9	25
Utility expenses	118	59	191	185
Others	775	403	758	297
	2,511	3,126	6,712	7,173
Marketing				
Advertisement and publicity	695	2,325	4,760	4,434
Others	471	440	1,653	1,443
	1,166	2,765	6,413	5,877
General expenses				
Communication	19	-	171	316
Consultancy and professional fees	118	293	307	460
Legal expenses	20	75	215	440
Stationery	217	92	554	412
Amortisation of intangible assets	2,518	2,717	7,580	7,408
Postages	747	649	2,133	2,188
Donation	1,756	2,362	3,795	2,494
Incidental expenses on banking operations	1,585	100	3,124	341
Others	2,023	3,543	8,689	9,756
	9,003	9,831	26,568	23,815
Total other overheads and expenditures	12,680	15,722	39,693	36,865
Shared service costs paid/payable to CIMB Bank/CIMB Investment Bank	98,688	89,286	286,419	274,350
	111,368	105,008	326,112	311,215

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
A19 Other overheads and expenditures (continued)				
The Bank				
Establishment				
Depreciation of property, plant equipment	1,064	1,210	3,052	2,278
Rental	752	327	1,320	1,133
Repairs and maintenance	(435)	636	737	2,108
Outsourcing expenses	237	484	645	1,147
Security expenses	-	7	9	25
Utility expenses	118	59	191	185
Others	775	403	758	297
	2,511	3,126	6,712	7,173
Marketing				
Advertisement and publicity	695	2,325	4,760	4,434
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	1,166	2,765	6,413	5,877
General expenses				
Communication	19	-	171	316
Consultancy and professional fees	118	293	307	460
Legal expenses	20	75	215	440
Stationery	217	92	554	412
Amortisation of intangible assets	2,518	2,717	7,580	7,408
Postages	747	649	2,133	2,188
Donation	1,756	2,362	3,795	2,494
Incidental expenses on banking operations	1,585	100	3,124	341
Others	2,023	3,506	8,668	9,704
	9,003	9,794	26,547	23,763
Total other overheads and expenditures	12,680	15,685	39,672	36,813
Shared service costs paid/payable to CIMB Bank/CIMB Investment Bank				
	98,688	89,286	286,419	274,350
	111,368	104,971	326,091	311,163

PART A - EXPLANATORY NOTES (CONTINUED)

A20 Islamic derivative financial instruments, commitments and contingencies

(i) Islamic derivative financial instruments

The following tables summarise the contractual or underlying principal amounts of trading derivative and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the end of the reporting period, and do not represent amounts of risk.

Trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Islamic Derivative Financial Instruments" Assets and Liabilities respectively.

The Group and the Bank	30 September 2015			31 December 2014		
	Principal Amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000	Principal amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000
<u>Foreign exchange derivatives</u>						
Currency forwards	1,449,908	225,917	(116,704)	919,232	42,422	(22,544)
- Less than 1 year	1,012,121	113,190	(12,825)	258,448	11,082	(41)
- 1 year to 3 years	3,690	570	(503)	5,478	172	(74)
- More than 3 years	434,097	112,157	(103,376)	655,306	31,168	(22,429)
Currency swaps	4,371,777	185,323	(267,232)	2,727,683	36,895	(38,700)
- Less than 1 year	4,149,139	185,039	(266,974)	2,727,683	36,895	(38,700)
- 1 year to 3 years	221,587	124	(98)	-	-	-
- More than 3 years	1,051	160	(160)	-	-	-
Currency spot	31,685	162	(131)	21,488	10	(12)
- Less than 1 year	31,685	162	(131)	21,488	10	(12)
Cross currency profit rate swaps	1,433,409	201,704	(198,217)	1,050,230	70,333	(69,932)
- Less than 1 year	-	-	-	308,785	9,282	(9,250)
- 1 year to 3 years	-	-	-	-	-	-
- More than 3 years	1,433,409	201,704	(198,217)	741,445	61,051	(60,682)
	7,286,779	613,106	(582,284)	4,718,633	149,660	(131,188)
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	8,504,450	70,002	(76,218)	9,548,143	70,369	(67,567)
- Less than 1 year	460,200	280	(246)	857,750	342	(524)
- 1 year to 3 years	5,393,186	35,865	(39,911)	3,592,678	19,290	(18,593)
- More than 3 years	2,651,064	33,857	(36,061)	5,097,715	50,737	(48,450)
<u>Equity related derivatives</u>						
Equity options	466,972	5,244	(5,244)	580,161	13,611	(13,611)
- Less than 1 year	-	-	-	103,011	2,621	(2,621)
- 1 year to 3 years	94,007	2,332	(2,332)	100,070	4,265	(4,265)
- More than 3 years	372,965	2,912	(2,912)	377,080	6,725	(6,725)
<u>Credit related contracts</u>						
Total return swaps	106,640	294	(294)	113,800	752	(752)
- More than 3 years	106,640	294	(294)	113,800	752	(752)
<u>Held for hedging purpose</u>						
Islamic profit rate swaps	4,645,343	374	(125,316)	6,916,136	29,473	(117,079)
- Less than 1 year	250,000	374	-	-	-	-
- 1 year to 3 years	300,000	-	(4,668)	550,000	808	(5,233)
- More than 3 years	4,095,343	-	(120,648)	6,366,136	28,665	(111,846)
Total derivative assets/(liabilities)	21,010,184	689,020	(789,356)	21,876,873	263,865	(330,197)

PART A - EXPLANATORY NOTES (CONTINUED)

A20 Islamic derivative financial instruments, commitments and contingencies (continued)

(i) Islamic derivative financial instruments (continued)

The Group's and the Bank's derivative financial instruments are subject to market and credit risk, as follows:

Market Risk

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. The Group's risk management department monitors and manages market risk exposure via stress testing of the Group's Value-at-Risk (VaR) model, in addition to reviewing and analysing its treasury trading strategy, positions and activities vis-à-vis changes in the financial market, monitoring limit usage, assessing limit adequacy, and verifying transaction prices.

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as profit rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2015, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM689 million respectively (31 December 2014: RM264 million) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

There have been no changes since the end of the previous financial year in respect of the following:

- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group are discussed in the audited financial statements for the financial year ended 31 December 2014.

PART A - EXPLANATORY NOTES (CONTINUED)

A20 Islamic derivative financial instruments, commitments and contingencies (continued)

(ii) Commitments and contingencies

	30 September 2015 Principal amount	31 December 2014 Principal amount
The Group and the Bank	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	154,937	129,163
Certain transaction-related contingent items	368,261	366,786
Short-term self-liquidating trade-related contingencies	20,282	76,602
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	3,798,010	3,408,649
- maturity exceeding one year	2,813,955	2,325,983
Miscellaneous commitments and contingencies	146,352	54,503
Total credit-related commitments and contingencies	<u>7,301,797</u>	<u>6,361,686</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- up to one year	5,192,945	3,316,404
- more than one year to 5 years	1,049,809	510,204
- more than five years	1,044,025	892,025
Profit rate related contracts :		
- up to one year	710,200	857,750
- more than one year to 5 years	11,933,131	12,079,018
- more than five years	506,462	3,527,511
Equity related contracts :		
- up to one year	-	103,011
- more than one year to 5 years	134,801	144,287
- more than five years	332,171	332,863
Credit related contracts:		
- more than five years	106,640	113,800
Total treasury-related commitments and contingencies	<u>21,010,184</u>	<u>21,876,873</u>
	<u>28,311,981</u>	<u>28,238,559</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A21 Capital Adequacy

Bank Negara Malaysia (BNM) issued revised guidelines on the capital adequacy framework on 28 November 2012, of which took effect beginning 1 January 2013. The revised guidelines sets out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

The risk-weighted assets of the Group and the Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets). The IRB Approach is applied for the major credit exposures with retail exposures on Advanced IRB approach and non-retail exposures on Foundation IRB approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on Basic Indicator Approach.

(a) The capital adequacy ratios of the Group and Bank are as follows:

	The Group		The Bank	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Common equity tier 1 ratio	11.321%	11.448%	11.321%	11.448%
Tier 1 ratio	12.146%	12.346%	12.146%	12.345%
Total capital ratio	14.827%	15.493%	14.827%	15.493%

(b) The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Credit risk	21,458,610	20,438,939	21,458,725	20,439,165
Market risk	610,194	498,080	610,194	498,080
Operational risk	2,063,268	2,011,791	2,063,191	2,011,728
Total risk-weighted assets	24,132,072	22,948,810	24,132,110	22,948,973

(c) Components of Common Equity Tier I, Additional Tier I and Tier II capital are as follows:

	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier I capital				
Ordinary shares	1,000,000	1,000,000	1,000,000	1,000,000
Other reserves	2,138,416	1,991,470	2,138,381	1,991,444
Common Equity Tier I capital before regulatory adjustments	3,138,416	2,991,470	3,138,381	2,991,444
<u>Less: Regulatory adjustments</u>				
Goodwill	(136,000)	(136,000)	(136,000)	(136,000)
Intangible assets	(84,251)	(89,744)	(84,251)	(89,744)
Deferred tax assets	(26,702)	(22,855)	(26,702)	(22,855)
Others	(159,443)	(115,688)	(159,443)	(115,689)
Common Equity Tier I capital after regulatory adjustments	2,732,020	2,627,183	2,731,985	2,627,156
Additional Tier I capital				
Perpetual preference shares	199,000	206,000	199,000	206,000
Additional Tier I capital before regulatory adjustments	199,000	206,000	199,000	206,000
<u>Less: Regulatory adjustments</u>				
Investment in capital instruments of unconsolidated financial and takaful entities	-	-	-	-
Additional Tier I capital after regulatory adjustments	199,000	206,000	199,000	206,000
Total Tier I capital	2,931,020	2,833,183	2,930,985	2,833,156
Tier II capital				
Subordinated notes	595,000	680,000	595,000	680,000
Portfolio impairment allowance and regulatory reserves ^	52,160	42,231	52,162	42,233
Total Tier II capital	647,160	722,231	647,162	722,233
Total capital	3,578,180	3,555,414	3,578,147	3,555,389

^ The capital base of the Group and the Bank as at 30 September 2015 have excluded portfolio impairment allowance on impaired financings restricted from Tier II capital of RM23.2million (31 December 2014: RM24.5 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A22 Segmental reporting

Definition of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group Management Committee as its chief operating decision-maker.

Segment information is presented in respect of the Group's business segment and geographical segment.

The business segment results are prepared based on the Group's internal management reporting, which reflect the organisation's management reporting structure.

Business segment reporting

Definition of segments:

As a result of an internal reorganisation, there is a change in business segment reporting. The Group has been re-organised into five major operation divisions. The divisions form the basis on which the Group reports its segment information.

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering Islamic financial products and services such as residential property financing, non-residential property financing, personal financing, hire purchase financing, credit cards, wealth management, bancassurance, remittance and foreign exchange, deposits and internet banking services. It also offers products and services through Enterprise Banking to micro and small enterprises, which are businesses under sole proprietorship, partnership and private limited.

Commercial Banking

Commercial Banking is responsible for offering products and services for customer segments comprising small and medium-scale enterprises ("SMEs") and mid-sized corporations. Their products and services include core banking credit facilities, trade financing, remittance and foreign exchange, as well as general deposit products.

Commercial Banking also secured several cash management mandates from SMEs in various sectors by leveraging on CIMB Islamic Bank's online business banking platform, which allows customers to conduct their commercial banking transactions over the internet.

Wholesale Banking

Wholesale Banking comprises Investment Banking, Corporate Banking, Treasury and Markets, Transaction Banking, Equities and Private Banking.

Investment Banking includes end-to-end client coverage and advisory services. Client coverage focuses on marketing and delivering solutions to corporate and financial institutional clients whereas advisory offers financial advisory services to corporations on issuance of equity and equity-linked products, debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking offers a broad spectrum of both conventional and Islamic funding solutions ranging from trade, working capital lines and capital expenditure to leveraging, merger and acquisition, leveraged and project financing. Corporate Banking's client managers partner with product specialists within the Group to provide a holistic funding solution, from cash management, trade finance, foreign exchange, custody and corporate loans, to derivatives, structured products and debt capital market.

Treasury focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It includes the Group's equity derivatives which develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues.

Transaction Banking comprises Trade Finance and Cash Management which provide various trade facilities and cash management solutions.

Equities provides broking services to corporate, institutional and retail clients.

Private Banking offers a full suite of wealth management solutions to high net worth individuals with access to a complete range of private banking services, extending from investment to securities financing to trust services.

Investments

Investments focus on defining and formulating strategies at the corporate and business unit levels, oversee the Group's strategic and private equity fund management businesses. It also invests in the Group's proprietary capital and funding.

Support and others

Support services comprise of unallocated middle and back-office processes and cost centres and other subsidiaries whose results are not material to the Group.

PART A - EXPLANATORY NOTES (CONTINUED)

A22 Segmental reporting (continued)

The Group 30 September 2015	Commercial Banking RM'000	Consumer Banking RM'000	Wholesale Banking RM'000	Investments RM'000	Support and others RM'000	Total RM'000
Net income:						
- external	126,769	731,246	(182,163)	71,469	-	747,321
- inter-segment	(42,611)	(264,726)	296,782	10,555	-	-
	84,158	466,520	114,619	82,024	-	747,321
Other income	7,599	72,866	27,896	(9,111)	-	99,250
Operating income	91,757	539,386	142,515	72,913	-	846,571
Overhead expenses	(40,443)	(287,695)	(42,562)	(5,398)	(6,527)	(382,625)
Consist of :						
Depreciation of property,	-	(2,823)	(105)	(124)	-	(3,052)
Amortisation of intangible	-	(7,486)	(94)	-	-	(7,580)
Profit before allowances	51,314	251,691	99,953	67,515	(6,527)	463,946
Allowances for losses on financing, advances and other financing/loans	5,260	(83,043)	(8,045)	-	-	(85,828)
Allowances for impairment losses on other receivables	-	-	-	-	(22)	(22)
Segment results	56,574	168,648	91,908	67,515	(6,549)	378,096
Taxation						(95,418)
Net profit for the financial year						282,678

The Group 30 September 2014	Commercial Banking RM'000	Consumer Banking RM'000	Wholesale Banking RM'000	Investments RM'000	Support and others RM'000	Total RM'000
Net income:						
- external	102,085	782,122	(161,885)	33,908	-	756,230
- inter-segment	(30,623)	(331,517)	337,225	24,915	-	-
	71,462	450,605	175,340	58,823	-	756,230
Other income	7,357	63,765	(5,118)	1,945	-	67,949
Operating income	78,819	514,370	170,222	60,768	-	824,179
Overhead expenses	(26,207)	(290,378)	(31,897)	(3,697)	(5,583)	(357,762)
Consist of :						
Depreciation of property,	-	(2,176)	(98)	(5)	-	(2,279)
Amortisation of intangible	-	(7,392)	(16)	-	-	(7,408)
Profit/(loss) before allowances	52,612	223,992	138,325	57,071	(5,583)	466,417
Allowances for losses on financing, advances and other financing/loans	2,708	(73,351)	3,444	-	-	(67,199)
Allowances for impairment losses on other receivables	-	-	178	-	-	178
Segment results	55,320	150,641	141,947	57,071	(5,583)	399,396
Taxation						(103,749)
Net profit for the financial year						295,647

PART A - EXPLANATORY NOTES (CONTINUED)

A22 Segmental reporting (continued)

The Group	Commercial	Consumer	Wholesale	Investments	Total
30 September 2015	Banking	Banking	Banking	RM'000	RM'000
	RM'000	RM'000	RM'000		
Segment assets	4,238,719	21,927,513	28,183,301	-	54,349,533
Unallocated assets					650,638
Total assets					55,000,171
Segment liabilities	2,551,485	12,756,893	34,837,939	851,116	50,997,433
Unallocated liabilities					530,032
Total liabilities					51,527,465
Other segment items					
Capital expenditure	-	7,862	255	278	8,395
The Group	Commercial	Consumer	Wholesale	Investments	Support and
31 December 2014	Banking	Banking	Banking	RM'000	others
	RM'000	RM'000	RM'000		RM'000
Segment assets	3,816,025	20,788,256	24,960,418	-	49,564,699
Unallocated assets					299,099
Total assets					49,863,798
Segment liabilities	1,974,791	9,471,656	34,006,217	856,151	46,308,815
Unallocated liabilities					343,513
Total liabilities					46,652,328
Other segment items					
Capital expenditure	1	93,025	2,595	-	95,621

PART A - EXPLANATORY NOTES (CONTINUED)

A23 Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Determination of fair value and fair value hierarchy

Valuation Model Review and Approval

- Mark-to-Model process shall be carried out by Market Risk Management within Group Risk. Group Risk Management Quantitative Analysts are responsible for independent evaluation and validation of the Group's financial models used for valuation. The validation includes an assessment of the stability of models in terms of performance over a variety of conditions and back-testing of the model outputs;
- Valuation methodologies for the purpose of determining Mark-to-Market prices will be verified by Group Risk Management Quantitative Analysts before submitting to Group Risk Committee and Board for approval;
- Market Risk Management is mandated to perform mark-to-market, mark-to-model and rate reasonableness verification;
- Any material uncertainty arising from the modeling and market inputs shall be disclosed to the Group Risk Committee;
- Market rate sources and model inputs for the purpose of Mark-to-Model must be verified by Group Risk Management Quantitative Analysts and approved by Chief Risk Officer or / and Group Risk Committee;
- Group Risk Management Quantitative Analysts are the guardian of the financial models and valuation methodology. Group Risk Management Quantitative Analysts shall perform model verification at least once a year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer;
- Model risk and unobservable parameter reserve must be considered to provide for the uncertainty of the model assumptions;
- Independent price verification process shall be carried out by Market Risk Management to ensure that financial assets/liabilities are recorded at fair value; and

The fair value hierarchy has the following levels:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets; or
- Quoted prices for identical or similar assets and liabilities in non-active markets; or
- Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - One or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets/liabilities are classified as Level 1 when the valuation is based on quoted prices for identical assets or liabilities in active markets.

Assets/liabilities are regarded as being quoted in an active market if the prices are readily available from a published and reliable source and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When fair value is determined using quoted prices of similar assets/liabilities in active markets or quoted prices of identical or similar assets and liabilities in non-active markets, such assets/liabilities are classified as Level 2. In cases where quoted prices are generally not available, the Group determines fair value based upon valuation techniques that use market parameters as inputs. Most valuation techniques employ observable market data, including but not limited to yield curves, equity prices, volatilities and foreign exchange rates.

Assets/liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data. Such inputs are determined based on observable inputs of a similar nature, historical observations or other analytical techniques.

If prices or quotes are not available for an instrument or a similar instrument, fair value will be established by using valuation techniques or Mark-to-Model. Judgment may be required to assess the need for valuation adjustments to appropriately reflect unobservable parameters. The valuation models shall also consider relevant transaction data such as maturity. The inputs are then benchmarked and extrapolated to derive the fair value.

PART A - EXPLANATORY NOTES (CONTINUED)

A23 Fair Value Estimation (continued)

- (i) The following table represents the assets and liabilities measured at fair value and classified by level with the following fair value hierarchy as at 30 September 2015 and 31 December 2014.

The Group and the Bank	Fair Value				Fair Value			
	30 September 2015				31 December 2014			
	Carrying amount	Observable inputs (Level 2)	Fair Value Significant unobservable inputs (Level 3)	Total	Carrying amount	Observable inputs (Level 2)	Fair Value Significant unobservable inputs (Level 3)	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial assets								
Financial assets held for trading								
-Money market instruments	2,845,061	2,845,061	-	2,845,061	3,255,826	3,255,826	-	3,255,826
-Unquoted securities	366,616	366,616	-	366,616	280,824	280,824	-	280,824
Financial investments available-for-sale								
-Money market instruments	601,469	601,469	-	601,469	414,365	414,365	-	414,365
-Unquoted securities	1,734,864	1,734,289	575	1,734,864	1,609,557	1,608,982	575	1,609,557
Derivative financial instruments								
-Trading derivatives	688,646	688,646	-	688,646	234,392	234,392	-	234,392
-Hedging derivatives	374	374	-	374	29,473	29,473	-	29,473
Total	6,237,030	6,236,455	575	6,237,030	5,824,437	5,823,862	575	5,824,437
Financial liabilities								
Derivative financial instruments								
-Trading derivatives	664,040	664,040	-	664,040	213,118	213,118	-	213,118
-Hedging derivatives	125,316	125,316	-	125,316	117,079	117,079	-	117,079
Financial liabilities designated at fair value	193,161	193,161	-	193,161	149,835	149,835	-	149,835
Total	982,517	982,517	-	982,517	480,032	480,032	-	480,032

^ Placement with Islamic Banking and Finance Institute Malaysia (IBFIM)

PART B

B1 GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM378.1 million for the nine months period ended 30 September 2015, RM21.3 million or 5.3% lower as compared to the pre-tax profit of RM399.4 million in the comparative period. The decrease in profit was primarily due to higher income attributable to depositors, as well as higher allowances for impairment losses on financing, advances and other financing/loans, by RM206.5 million and RM18.6 million respectively, compared to the previous period. However, this was offset by higher income derived from investment of shareholder's funds of RM138.4 million.

B2 PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Growth prospects for CIMB Islamic Bank remains cautious considering the moderation of domestic and regional economies. Focus will be on growing quality asset and fee based income from amongst others, wealth management and bancatakaful business whilst maintaining a healthy liquidity level and stable funding base.

B3 COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

The Group and Bank basic EPS is calculated by dividing the net profit for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	The Group			
	2nd Quarter Ended		6 Months Ended	
	30 September RM'000	30 September RM'000	30 September RM'000	30 September RM'000
Net profit for the financial period (RM '000)	93,098	87,425	282,678	295,647
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	9.31	8.74	28.27	29.56

	The Bank			
	2nd Quarter Ended		6 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Net profit for the financial period (RM '000)	93,098	87,425	282,669	295,647
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	9.31	8.74	28.27	29.56

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 September 2015 and 30 September 2014.